

**GOVERNMENT OF INDIA
COAL
LOK SABHA**

UNSTARRED QUESTION NO:375
ANSWERED ON:24.07.2001
RECOMMENDATION OF ERC ON COAL SECTOR
NARESH KUMAR PUGLIA

Will the Minister of COAL be pleased to state:

- (a) Whether the Expenditure Reforms Commission has recommended job cuts in Eastern Coalfields Limited, Central Coalfields Limited and Bharat Coking Coal Limited;
- (b) If so, the details thereof, unit wise;
- (c) Whether the amount of compensation to be paid to the retrenched workers has since been worked out; and
- (d) If so, the details thereof, unit wise ?

Answer

MINISTER OF STATE FOR COAL (SYED SHAHNAWAZ HUSSAIN)

(a) & (b) The Expenditure Reforms Commission (ERC) in para 30 of its report, has made the following observations on manpower rationalization in Coal India Limited:-

It is estimated that nearly one fifth of the total manpower of 5,62,071 is surplus compared to the requirement in CIL collieries. A recent study has revealed that in ECL, which has the highest level of losses in this group, as many as 64,000 out of a total work force of 1,33,383 are deployed in 64 loss making collieries. The incidence of wage cost in these 64 mines is 112% of the sale price of coal. CIL's current year's budget visualized coverage of 11000 surplus personnel under the Voluntary Retirement Scheme (VRS) at a total cost of Rs.242 crores. If all the seven subsidiaries are to become competitive and hold their place in the emerging scenario, then highest priority needs to be given to a manpower rationalization scheme that will cover more than one lakh surplus work force, mostly in ECL, BCCL and CCL, under the Voluntary Retirement Scheme within the next two year period. The funds required for the VRS could be met out of the surpluses of the profit making subsidiaries or through productivity gains from manpower rationalization and other efficiency improvement measures.

(c) & (d) Towards rationalization of surplus manpower in ECL, CCL & BCCL, grants-in-aid for implementation of Voluntary Retirement Scheme (VRS) are being provided by Government of India. Up to January 2001, Rs.505.00 crore have been released under VRS and 24,877 persons have availed of VRS in ECL, CCL & BCCL. For the year 2001-02, a target of 11,500 persons has been set for retirement under VRS in these three companies. A provision of Rs.156.99 crores has been made; this provision will be augmented later in the year.